

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1357

Introduced by Assembly Member Matthews

February 21, 2003

An act to ~~add Section 11875 to~~ *amend Section 11770* of the Insurance Code, relating to the State Compensation Insurance Fund.

LEGISLATIVE COUNSEL'S DIGEST

AB 1357, as amended, Matthews. State Compensation Insurance Fund.

Existing law provides that ~~the state, any agency, officer, or other authority thereof, county, city and county, city, or any other district established by law or other public corporation or quasi-public corporation within the state, may insure against its liability for compensation with~~ *there is the State Compensation Insurance Fund for the purpose of transacting workers' compensation insurance. Existing law provides that it is administered by a board of directors, as specified.*

~~This bill would require the Insurance Commissioner to conduct a study of the effectiveness and functioning of the State Compensation Insurance Fund and to report its findings, and recommendations based thereon, to the Governor and the Legislature.~~

This bill would eliminate one of the requirements for appointment to and continued membership on the board.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

~~SECTION 1. Section 11875 is added to the Insurance Code,~~

SECTION 1. Section 11770 of the Insurance Code is amended to read:

11770. The State Compensation Insurance Fund is continued in existence, to be administered by its board of directors for the purpose of transacting workers' compensation insurance, and insurance against the expense of defending any suit for serious and willful misconduct, against an employer or his or her agent, and insurance to employees and other persons of the compensation fixed by the workers' compensation laws for employees and their dependents. Any appropriation made therefrom or thereto before the effective date of this code shall continue to be available for the purposes for which it was made.

The board of directors of the State Compensation Insurance Fund is composed of five members, one of whom shall be from organized labor, appointed by the Governor. The Governor shall appoint the chairperson who shall serve at the pleasure of the Governor. The Director of Industrial Relations, the Speaker of the Assembly, and the President pro Tempore of the Senate, or their designees, shall be ex officio, nonvoting members of the board, and shall not be counted as members of the board for quorum purposes or any other purpose.

The term of office of the members of the board, other than that of the director, the Speaker of the Assembly, and the President pro Tempore of the Senate, shall be five years and they shall hold office until the appointment and qualification of their successors. The term of office of the first additional member appointed pursuant to amendment of this section effective January 1, 1990, shall expire on January 15, 1995. Commencing January 15, 1991, the terms of office of other members shall be extended to five years as each four-year term expires, so that one member's term of office expires January 15 of each year. Each member shall receive his or her actual and necessary traveling expenses incurred in the performance of his or her duty as a member and, with the exception of the ex officio members, one hundred dollars (\$100) for each day of his or her actual attendance at meetings of the board. ~~In order to qualify for membership on the board, each member other than the ex officio members shall have been a policyholder or the~~

1 ~~employee or member of a policyholder in the State Compensation~~
2 ~~Insurance Fund for one year immediately preceding the~~
3 ~~appointment, and must continue in this status during the period of~~
4 ~~his or her membership.~~
5 ~~to read:~~
6 ~~11875. The commissioner shall conduct a study of the~~
7 ~~effectiveness and functioning of the State Compensation~~
8 ~~Insurance Fund. The commissioner shall make a report of its~~
9 ~~findings, and recommendations based thereon, to the Governor~~
10 ~~and the Legislature.~~

